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**EBARD WATERWORKS DISTRICT NO. 1
ZWOLLE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the clerk and where appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-22-01

**HAASB POLICE COMMISSIONS INTERACT PRE-1
PROCESS, LOUISIANA
HOMELAND SECURITY DIVISION
DECEMBER 31, 2009**

| <u>Commissioners</u> | <u>Office</u> | <u>Appointed</u> | <u>Term</u> |
|--|----------------|------------------|-------------|
| Robert Dugas 12011 Texas Highway Baton Rouge, Louisiana 70809 (504) 685-7288/(504) 256-6560 | President | 2009 | (1) |
| Peter Maynard 12495 Perdido Drive Zenoite, Louisiana 71086 (504) 685-7791 | Vice-President | 2009 | (1) |
| Reynolds Wright 1240 Perdido Drive Zenoite, Louisiana 71086 (504) 685-7833 | Sec./Treasurer | 2009 | (1) |
| Annex Segura-Garcia 66 Shimmerick Road Baton Rouge, Louisiana 70802 (504) 685-6056 | | 2009 | (1) |
| Kenneth Walling 318 Kitchell Loop Zenoite, Louisiana 71086 (504) 685-6733 | | 2009 | (1) |

(1) Commissioners serve at the pleasure of the Police Jury. Terms are not set when appointed.

**SEWAGE WATER SYSTEMS DISTRICT NO. 1
FINANCIAL STATEMENTS
TABLE OF CONTENTS
DECEMBER 31, 2008**

| | (PAGE) | (PAGE) | (PAGE) |
|---|---------------|---------------|---------------|
| Independent Auditor's Report | i | ii | 1 |
| General Purpose Financial Statements | i | ii | 3 |
| Comparative Balance Sheet - Proprietary Fund Type | A | ii | 4 |
| Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type | B | i | 5 |
| Comparative Statement of Cash Flows - Proprietary Fund Type | C | i | 7 |
| Notes to the Financial Statements | i | ii | 8 |
| Schedule of Compensation Paid To Board Of Commissioners | i | 1 | 15 |
| Report on Compliance and on Internal Control Over Financial Reporting, Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Auditing Standards | i | ii | 17 |
| Summary Schedule of Prior Audit Findings | i | 2 | 18 |
| Corrective Action Plan For Current Year Audit Findings | i | 3 | 19 |
| Management Letter | i | i | 20 |

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INTERIM FINANCIAL AUDITOR'S REPORT

Board of Commissioners

Thibault Waterworks District No. 1

P.O. Box 1365

Paralele, LA 71466

We have audited the accompanying general purpose financial statements of the Thibault Waterworks District No. 1, Paralele, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2009, as listed in the table of contents. These general purpose financial statements are the responsibility of the Thibault Waterworks District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Thibault Waterworks District No. 1, Paralele, Louisiana, a component unit of the Sabine Parish Police Jury, as of December 31, 2009, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

The accompanying general purpose financial statements have been prepared assuming that the Thibault Waterworks District No. 1, Paralele, Louisiana, will continue as a going concern. As discussed in Note 11 to the general purpose financial statements, the District has sustained substantial losses in recent years which has resulted in an accumulated deficit of \$2,651,440 as we were not started on stage as December 31, 2009. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters also are discussed in Note 11. The general purpose financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Government Auditing Standards, we have also issued a report dated May 21, 2009 on our consideration of the Thibault Waterworks District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Hatch Waterworks District No. 1, Zenodo, Louisiana, as composed and of the Parish Police Jury, taken as a whole. The accompanying supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the year ended December 31, 1999, which is included for comparison purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated June 26, 2000, on the general purpose financial statements of the Hatch Waterworks District No. 1.

Wyers, Jackson & Myers
Matchmakers, Louisiana
May 23, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

[BARB WATKINSON'S DISPOSITIONAL
 2000-1-1-10000000
 CONFIDENTIAL-1000-10000
 PROCEEDINGS-1000-1000
 10000000-1000-1000]

10000000

| | 2000 | 1999 |
|--|---------------------|---------------------|
| Assets | | |
| Cash | \$ 143,471 | \$ 43,167 |
| Accounts receivable | | |
| Trade, net | 90,444 | 40,660 |
| Other | 988 | 2,458 |
| Prepaid insurance | 2,380 | 4,313 |
| Restricted assets | | |
| Cash | 99,217 | 19,078 |
| Fixed assets, net | 3,400,836 | 3,456,649 |
| Total Assets | <u>\$ 3,737,936</u> | <u>\$ 3,686,325</u> |
| Liabilities and Fund Equity | | |
| Liabilities | | |
| Accounts payable | \$ 128,628 | \$ 171,805 |
| Accrued expenses | 6,138 | 3,379 |
| Interest payable | 436,790 | 283,214 |
| Uninsured claims payable | 0 | 65,831 |
| Reverend bench payable | 2,081,173 | 2,481,124 |
| Total Liabilities | 3,646,729 | 3,465,353 |
| Fund Equity | | |
| Capitalized capital | 1,140,000 | 1,118,000 |
| Retained earnings: | | |
| Reserved | | |
| Repayment of long-term debt | 90,257 | 19,838 |
| Unreserved | (1,811,944) | (1,002,656) |
| Total Fund Equity | <u>358,253</u> | <u>125,172</u> |
| Total Liabilities and Fund Equity | <u>\$ 3,737,936</u> | <u>\$ 3,686,325</u> |

The accompanying notes are an integral part of this statement.

ILLINOIS WORKSHEET EXTRACT NO. 1
CITY OF CHICAGO
STATEMENT OF REVENUE AND EXPENSES, APPROPRIATED
BY FUND, DEPARTMENT, PROGRAM AND OBJECT
FOR THE FISCAL YEAR ENDING MARCH 31, 2000 AND 1999

| | 1999 | 2000 |
|---|-------------------|-------------------|
| Operating Revenues | | |
| Charges for services | | |
| Water sales | \$ 666,680 | \$ 641,500 |
| Late payment penalties | 18,665 | 21,688 |
| Shipping, reconstruction and other fees | 36,736 | 22,508 |
| Other | 3,118 | 9,783 |
| Total Operating Revenues | \$125,815 | \$84,779 |
| Operating Expenses | | |
| Advertising | 848 | 331 |
| Automobile expense | 1,064 | 144 |
| Automobile mileage reimbursement | 3,189 | 31,251 |
| Fuel costs | 1,887 | 66,666 |
| Chemicals | 16,186 | 18,258 |
| Construction/ fees | 1,880 | 4,908 |
| Computer services | 0 | 11,808 |
| Depreciation | 118,680 | 113,799 |
| Engineering services | 0 | 87,668 |
| Insurance | 7,972 | 4,170 |
| Legal and accounting | 28,664 | 28,284 |
| Materials and supplies | 31,237 | 26,178 |
| Motor vehicle services | 16,987 | 26,178 |
| Motor installation costs | 3,766 | 96,292 |
| Miscellaneous | 3,698 | 4,954 |
| Office supplies | 4,866 | 3,564 |
| Payroll taxes | 6,282 | 7,480 |
| Plant operating services | 0 | 34,201 |
| Postage | 4,384 | 6,486 |
| Repairs and maintenance-building | 2,173 | 1,892 |
| Repairs and maintenance-distribution system | 19,788 | 83,832 |
| Repairs and maintenance-equipment | 314 | 279 |
| Salaries | 189,280 | 28,817 |
| Small tools and supplies | 1,714 | 12,918 |
| Security services | 0 | 7,662 |
| System inventory system | 0 | 24,882 |
| Telephone | 4,549 | 2,208 |
| Utilities | 1,383 | 0 |
| Utilities | 26,432 | 71,872 |
| Water purchased | 277,528 | 118,982 |
| Workmen's compensation | 6,348 | 2,521 |
| Total Operating Expenses | \$ 718,118 | \$ 743,688 |

The accompanying notes are an integral part of this statement.

(BANK STATEMENTS DEPOSIT NO. 1)
 CAPITAL EXPENDITURE
 (STATEMENT OF INVESTMENT IN PROPERTY, PLANTS, AND EQUIPMENT BY
 RETAILBANKERS - PRESIDENTIAL FUNDING CORPORATION)
 FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008

| | 2009 | 2008 |
|---|----------------|----------------|
| Operating Income/(Loss) | \$ 186,671 | \$ (52,180) |
| Nonoperating Revenues/(Expenses) | | |
| Interest income | 1,794 | 809 |
| Interest expense | (150,677) | (158,677) |
| Net change of line items | 83,596 | 0 |
| Total Nonoperating Revenues/(Expenses) | 83,596 | (158,668) |
| Net Interest/(Loss) | 43,785 | (157,859) |
| (Increase)/decrease in retained earnings - reserved for retirement of long-term debt | (11,259) | (12,406) |
| Net change in reserved retained earnings | (18,574) | (115,158) |
| RETAINED EARNINGS - Unreserved, Beginning of year | (1,822,658) | (827,187) |
| RETAINED EARNINGS - Unreserved, End of year | \$ (1,824,897) | \$ (1,822,658) |

The accompanying notes are an integral part of this statement.

SHAW-NATHANSON DISTRICT NO. 1
2ND JAIL, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

(EXHIBIT C)

| | 2000 | 1999 |
|---|-------------------|------------------|
| Cash Flows From Operating Activities | | |
| Operating income/(loss) | \$ 186,677 | \$ (50,307) |
| Adjustments to reconcile operating income/(loss) to net cash provided from operating activities: | | |
| Depreciation | 124,688 | 115,794 |
| Real debt expense | 7,887 | 64,605 |
| Amortization of premiums | 83,586 | 0 |
| Increases/(decreases) in operating assets: | | |
| Accounts receivable | | |
| Trade | (34,658) | (30,457) |
| Other | 3,283 | (2,458) |
| Prepaid insurance | 2,463 | (4,813) |
| Increases/(decreases) in operating liabilities: | | |
| Accounts payable | (75,118) | 62,334 |
| Accrued expenses | 2,849 | 3,779 |
| Net Cash Provided By/(Used In) Operating Activities | 289,518 | 95,117 |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchase of distribution system | (12,684) | 0 |
| Purchase of automobiles | (13,608) | (12,777) |
| Purchase of machinery and equipment | (12,237) | (5,387) |
| Purchase of buildings | (889) | (2,927) |
| Net Cash Provided By/(Used In) Capital and Related Financing Activities | (39,418) | (21,091) |
| Cash Flows from Investing Activities | | |
| Receipts of interest | 1,094 | 69 |
| Net Cash Provided By/(Used In) Investing Activities | 1,094 | 69 |
| Net Increase/(Decrease) in Cash | 251,203 | 74,105 |
| CASH, Beginning of year | 80,885 | 18,524 |
| CASH, End of year | \$ 332,088 | \$ 92,629 |

Supplemental Disclosure

Cash paid during the years ended December 31, 2000 and 1999 for interest was \$0 and \$8, respectively.

The accompanying notes are an integral part of this statement.

GAAP WATERWORKS DISTRICT NO. 1
FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Third Waterworks District No. 1, a political subdivision of the Sabine Parish Police Jury, was created by Louisiana Revised Statute 15:331.1 and adopted by the Police Jury on March 26, 1971. The District's purpose is to provide water service to any user within the geographical bounds of the District. It is operated by a board which consists of up to five commissioners appointed by the Police Jury.

The accounting and reporting policies of the Third Waterworks District No. 1 conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting practices also conform to the requirements of Louisiana Revised Statutes 24:412 and to guidelines set forth in the Louisiana Governmental Accounting Standards, and the industry accounting standards of State and Local Governmental Units.

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Sabine Parish Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of: a) the primary government (police jury); b) organizations for which the primary government is financially accountable; and c) other organizations for which assets and liabilities of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 establishes criteria for determining which component units should be considered part of the Sabine Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB then set forth criteria to be considered in determining financial accountability. This criteria is included:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the police jury to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits or burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of that organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the board of commissioners, the Waterworks District, was determined to be a component unit of the Sabine Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Waterworks District and do not present information on the police jury, the general government service provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**FINANCIAL WATERWORKS DISTRICT NO. 1
CROSSLAKE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008**

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The accounts of the South Waterworks District No. 1 are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. The District now consists of only one generic fund type and one broad fund category as follows:

Proprietary Fund Type - Account for activities similar to those found in the private sector, where the determination of net income is necessary for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - Account for operations: a) that are financial and operated in a manner similar to private business enterprise; or where the intent of the governing body is that the costs (expenses, including depreciation of generating plants or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the private determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

Funds of accounting refer to where revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The enterprise fund is accounted for using the normal basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. The enterprise fund is accounted for on a flow of economic resources measurement basis and determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The purchase of various operating supplies are regarded as expenditures at the time purchased.

D. Cash and Cash Equivalents

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the District defines cash and cash equivalents as follows:

Cash includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

ILLINOIS COMMERCE BANK, F.S.B.
FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Cash and Cash Equivalents (Continued)

Cash equivalents - all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Ordinarily, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

B. Accounts Receivable

All receivables are reported at their gross value and, where applicable are reduced by the estimated portion that is expected to be uncollectible.

C. Bad Debts

Uncollectible amounts due to customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the first information business available which would indicate the uncollectibility of the particular receivable. At December 31, 2000, \$17,798, were considered to be uncollectible.

D. Prepaid Expenses

Prepayments rendered for services that will benefit periods beyond December 31, 2000, are recorded as prepaid expenses.

III. Fixed Assets

The proprietary fund is accounted for on a cost of savings or "capital maintenance" measurement basis, and all assets and all liabilities (whether current or noncurrent) associated with its activities are included on its balance sheet. Their reported fund equity (net asset) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present Expenses (Revenue) and Expenses (Revenue) in net total assets. Depreciation of all depreciable fixed assets used by the fund is charged as an expense against its operations. Depreciation will be provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

| | |
|-------------------------|------------|
| Water system | |
| Distribution system | 40 years |
| Automobiles | 3 years |
| Machinery and equipment | 3-15 years |
| Buildings | 15 years |

All fixed assets are stated at historical cost.

I. Restricted Assets

The fund, based upon certain bond covenants, is required to establish and maintain prescribed amounts of investments (consisting of cash and cash equivalents) that can be used only to service outstanding debt. These assets, paid off from savings accounts.

UPPER MERIDIAN DISTRICT NO. 1
2000 U.S. CENSUS
NOTES TO THE FINANCIAL STATEMENTS CONTINUED
DECEMBER 31, 2000

NOTE E SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

Unreserved retained earnings for the proprietary fund represents the net assets available for future operations or distribution. Reserved retained earnings for the proprietary fund represents net assets that have been legally identified for specific purposes. Capitalized capital is recorded in the Proprietary Fund for capital grants received for the acquisition or construction of capital assets. Capitalized capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

K. Comparative data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data presentation of all prior year totals by fund type(s) data has not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read. Certain amounts from prior year financial statements have been reclassified to conform with current classifications.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Inventories

Inventory items accounting, under which purchased items, stock lots, and other common items, in the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

NOTE F CASH

As of December 31, 2000, the District had cash totaling \$233,738, as follows:

| | | |
|--|----|---------|
| Petty cash | \$ | 200 |
| Demand deposit accounts | | 141,290 |
| Interest bearing demand deposit accounts | | 90,237 |
| Total | \$ | 233,738 |

Under state law, these deposits must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2000, the District had \$230,203 in bank deposits. \$190,287 of these deposits were secured from risk by Federal deposit insurance and \$40,916 were unsecured. See item G2 on the accompanying management letter for a description of the finding.

JAYNE WATERWORKS DISTRICT NO. 1
STATE OF CALIFORNIA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000

NOTE 3: RESTRICTED ASSETS

At December 31, 2000, the District had the following restricted assets:

Revenue bond sinking fund \$ 98,217

NOTE 4: FIXED ASSETS

A summary of fixed assets for the year ended December 31, 2000, follows:

| | Cost | Accumulated Depreciation | Net | Depreciation |
|----------------------------|--------------|-----------------------------|--------------|--------------|
| Land | \$ 33,108 | \$ 0 | \$ 33,108 | \$ 0 |
| Fluorination system | 4,071,643 | (1,219,643) | 2,852,000 | 111,655 |
| Automobiles | 96,278 | (9,843) | 86,435 | 8,494 |
| Machinery and equipment | 21,498 | (5,433) | 16,065 | 4,004 |
| Buildings | 8,523 | (623) | 7,900 | 550 |
| Total | \$ 4,431,050 | \$ (1,235,542) | \$ 3,195,508 | \$ 124,699 |
| | Cost | Accumulated Depreciation | Net | |
| Changes during the year: | | | | |
| Balance, Beginning of year | \$ 4,566,843 | \$ (3,116,995) | \$ 1,449,848 | |
| Additions: | | | | |
| Fluorination system | 11,684 | 0 | 11,684 | |
| Automobiles | 43,468 | 0 | 43,468 | |
| Machinery and equipment | 11,297 | 0 | 11,297 | |
| Buildings | 686 | 0 | 686 | |
| Depreciation | 0 | (124,699) | (124,699) | |
| Balance, End of year | \$ 4,635,978 | \$ (3,236,799) | \$ 1,399,179 | |

NOTE 5: LONG-TERM DEBT

The following is a summary of the long-term debt for the year ended December 31, 2000:

| | Interest Rate | Maturity Date | Amount Issued | Amount Outstanding |
|--------------------|------------------|------------------|------------------|-----------------------|
| Revenue bonds 1982 | 5.00% | 2012 | \$ 473,000 | \$ 388,335 |
| Revenue bonds 1986 | 5.00% | 2016 | 1,371,000 | 1,855,218 |
| Revenue bonds 1991 | 5.00% | 2022 | 171,500 | 168,982 |
| Revenue bonds 1993 | 5.25% | 2018 | 675,000 | 648,125 |
| Total | | | \$ 3,279,500 | \$ 2,991,375 |

**UPPER MERIDION DISTRICT NO. 1
FISCAL YEAR 2008
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008**

NOTE 5 1000-TERM DEBT (CONTINUED)

The annual payments to service debt outstanding at December 31, 2008, including interest payments are as follows:

| Year Ended December 31, | 1982 | 1983 | 1984 | 1985 | Total |
|----------------------------|---------------|---------------|---------------|---------------|--------------|
| | Revenue Bonds | Revenue Bonds | Revenue Bonds | Revenue Bonds | |
| 2001 | \$ 75,819 | \$ 76,100 | \$ 26,404 | \$ 131,839 | \$ 309,419 |
| 2002 | 29,670 | 116,000 | 8,888 | 41,815 | 193,565 |
| 2003 | 29,670 | 116,000 | 8,888 | 41,815 | 193,565 |
| 2004 | 29,670 | 116,000 | 8,888 | 41,815 | 193,565 |
| 2005 | 29,670 | 116,000 | 8,888 | 41,815 | 193,565 |
| Thereafter | 458,448 | 2,981,775 | 148,738 | 1,148,764 | 4,658,319 |
| Total | \$ 648,152 | \$ 3,271,995 | \$ 211,283 | \$ 1,315,421 | \$ 5,098,595 |

Under the terms of the outstanding revenue bonds, all income and revenue (hereafter referred to as revenue) of every nature, current or to be from operations of the District are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

- From "Water System Revenue Fund", there must be paid all reasonable and necessary expenses of operating and maintaining the System.
- Each month, there will be set aside into a fund called the "Water System Revenue Bond and Interest Sinking Fund" an amount constituting 1/2 of the total principal and interest maturing in the ensuing year. Bonds amounts shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.
- Each month, there shall be set aside into a "Water System Reserve Fund" a sum at least equal to five percent (5%) of the annual debt payment until such time as there has been accumulated in said fund a sum equal to the highest combined principal and interest amount falling due in any year. Such money is to be maintained solely for the purpose of paying the principal and interest on bonds payable from the Sinking Fund as to which they would otherwise be default.
- Funds will also be set aside into a "Depreciation and Contingency Fund" at the rate of 0.75% per month. Money in this fund shall be used to pay the principal and interest on bonds for which there is not sufficient money in the Sinking or Reserve Fund.

Due to insufficient revenues, the District was unable to make monthly deposits as specified above and was therefore in breach of the requirements to maintain certain amounts in the reserve and depreciation and contingency funds at December 31, 2008. The United States of America, Farmers Home Administration has the right to call the bonds of the District in violation of the bond agreement. The District has, however, obtained a waiver, not to call the bonds, from the Farmers Home Administration for the year ended December 31, 2008. See Item 17 on the accompanying management letter for a description of the finding.

NOTE 6 LEASE OBLIGATIONS

The Upper Meridion District No. 1 is obligated under two lease agreements accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the District's fixed assets.

**THIBODeaux WATERWORKS DISTRICT NO. 1
2008-2011 COMPTON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008**

NOTE 6 LEASE OBLIGATIONS (CONTINUED)

The first lease agreement is with the Louisiana Department of Transportation and Development, Sabine River Authority for the use of 10.5 acres of land for thirty years expiring on September 18, 2089, with an option for an additional thirty years. The agreement requires no lease payments, but author the development of residential and recreation facilities. The lease can be terminated at the option of the Sabine River Authority for failure to comply with lease requirements.

The second lease agreement is with the Louisiana Department of Transportation and Development, Sabine River Authority for the use of a water intake, treatment and distribution facility for 40 years which expires on August 31, 2029. Although the lease agreement requires no lease payments, the District must maintain the intake, treatment and distribution facilities and provide portable water in recreational facilities developed by the Sabine River Authority in the area. The lease can be terminated at the option of the Sabine River Authority for failure to fulfill any one or any portion of the lease requirements.

The Thibodaux Waterworks District No. 1 was not obligated under any capital lease commitments at December 31, 2008.

NOTE 7 CONCENTRATION OF WATER SUPPLY

The District obtained all of its water supply from the Sabine River Authority (SRA), South Toledo Bend Waterworks District (4374) and the Jefferson Water System (1554) during 2008.

NOTE 8 RETIREMENT COMMITMENTS

All employees of Thibodaux Waterworks District No. 1 are covered by the Social Security System. Employees contribute 6.75 percent of their total salary to the system, while the District contributes a like amount. For the year ended December 31, 2008, total contributions to the system were \$11,548, of which the District contributed \$6,778 and employees contributed \$4,770. Total payroll for the year ended December 31, 2008 was \$166,300 and total payroll covered by the system was \$489,240. Any future deficit in the system will be financed by the United States Government. The District has no further liability to the system for the year ended December 31, 2008.

NOTE 9 LITIGATION AND CLAIMS

The Thibodaux Waterworks District No. 1 is a defendant in various litigation as of the close of business on December 31, 2008. Management and legal counsel for the District believe that resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the District.

NOTE 10 RISK MANAGEMENT

The Thibodaux Waterworks District No. 1 is exposed to various risks of loss related to fire, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude significant uninsured losses to the District.

**IRVING WATERWORKS DISTRICT NO. 1
CITY OF IRVING, TEXAS
NOTES TO THE FINANCIAL STATEMENTS CONTINUED
DECEMBER 31, 2008**

NOTE 11 GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the District as going concern. The District has sustained substantial losses in recent years which has resulted in an accumulated deficit of \$ 1,053,148 in unreserved retained earnings as December 31, 2008. Combining contributed capital and accrued retained earnings with unreserved retained earnings results in total fund equity of \$105,808.

Management plans to eliminate the deficit in unreserved retained earnings through a combination of actions:

- 1) Management has implemented policy and control procedures to reduce expenses.
- 2) Management has hired full time employees to reduce cost of outside contractors.
- 3) Management has decided to purchase treated water rather than use the District's old plant that is very costly to operate.
- 4) Management has negotiated and will continue to negotiate a reduction in the cost of purchasing treated water.
- 5) Management implemented a pay increase during 2008 and will consider further increases as necessary.
- 6) Management has begun enforcing their disconnect policy on past due accounts.

NOTE 12 SUBSEQUENT EVENTS

Settlement of Liabilities

Subsequent to year end, two liabilities were settled reducing the amount of liabilities record in the District's financial statements at December 31, 2008 by \$29,826.

[BARR WATTEWORKS DISTRICT NO. 1]
 ZWOLLE, IOWA
SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS
FOR THE YEAR ENDING DECEMBER 31, 2009

SCHEDULE 1

| <u>Members</u> | <u>Meetings Attended</u> | <u>Compensation Amount</u> |
|----------------|------------------------------|--------------------------------|
| Don Bell | 8 | \$ 480 |
| Ken Crum | 8 | 360 |
| Robert Hyton | 3 | 150 |
| Charles Jones | 8 | 360 |
| John Lewis | 9 | 360 |
| John Nugent | 1 | 150 |
| Kenneth Wright | 2 | 450 |
| Kenneth Walker | 10 | \$ 1,710 |
| | | \$ 3,000 |

Supplemental information available: Presented for purposes of additional analysis.

HINES, JACKSON & HINES

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Black Waterworks District No. 1
P. O. Box 1346
Zwettl, IA 51485

We have audited the general purpose financial statements of Black Waterworks District No. 1, Zwettl, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2008, and have issued our report thereon dated May 25, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Black Waterworks District No. 1's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts or agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*. A description of the findings and the related findings 00-1 and 00-2 of the accompanying Corrective Action Plan for Current Year Audit Findings, Schedule #3.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Black Waterworks District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to a financial statement being audited using accepted methods for detection within a timely period by employees in the normal course of performing their assigned functions. We would not consider the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Black Waterworks District No. 1 and the legislative body of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines
Chamberlain, Louisiana
May 25, 2009

LEAKE WATERWORKS DISTRICT NO. 1
2008-11-10000000
SUMMARY SECTION (1) OF FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2008

| Ref. No. | Fiscal Year Finding Initially Discovered | Description of Finding | Corrective Action Taken (Yes, No, Partially) | Planned Corrective Action/Partial Corrective Action Taken |
|----------|---|---|---|---|
| 96.1 | 10/1/1996 | The District is in violation of account book accounts requiring finding of revenue and depreciation and contingency accounts. | Partially | Funding of revenue and depreciation and contingency accounts will continue until the District is in compliance with local accounts. |
| 99.2 | 10/1/1999 | This situation exist where a member of the governing board was hired as an needed help when no one else was available to work in the office due to illness or vacation. Violation of R. S. 42:1119 - nepotism. | Yes | This finding has been resolved. |

**THIRD WATERWORKS DISTRICT NO. 1
2ND DEPT. COURSE
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR END (DECEMBER 31, 2008)**

| Ref. No. | Description of Finding | Correct Action Planned | Name(s) of Contact Person(s) | Anticipated Completion Date |
|-----------------|--|--|-------------------------------------|------------------------------------|
| 88-1 | The District is in violation of various bond covenants requiring funding of reserve and depreciation and contingency accounts. | The District will continue to fund the reserve and depreciation and contingency accounts until they are in compliance with bond covenants. | Kathleen Lykes, President | 05/05/2009 |
| 88-2 | The bank deposit balances of the District exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge accounts to cover the amount exceeding the FDIC's coverage. | The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution. | Kathleen Lykes, President | 05/11/2009 |

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Board of Commissioners

Wabash Waterworks District No. 1
P. O. Box 1166
Zenoia, IL 62456

We are writing this letter as a follow-up to our recent audit of the general purpose financial statements of the Wabash Waterworks District No. 1, Zenoia, Louisiana, a component unit of the State of Louisiana, as of December 31, 2009, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the District and are intended to be constructive in nature:

1. Existing Condition:

The resolution authorizing the revenue bond required the District to establish and fund reserve and depreciation and contingency accounts. As of December 31, 2009, the District has not fully funded the required accounts and is in violation of the revenue bond covenants.

Recommended Action:

The District should continue to fund the reserve and depreciation and contingency accounts until they are in compliance with bond covenants.

Management's Response:

The District will continue to fund the reserve and depreciation and contingency accounts until they are in compliance with bond covenants.

2. Existing Condition:

At December 31, 2009, the bank deposit balances of the District exceeded Federal deposit insurance coverage (\$100C) coverage. This resulted in bank deposits being secured against loss because the depositing banks did not pledge securities as a third party custodian to cover the excess deposits.

12A-B5-39,027 requires that the amount of security maintained on bank deposits shall at all times be equal to one hundred percent of the amount of bank deposits except that portion of the deposits insured by the FDIC.

Recommended Action:

We suggest management of the District review on a quarterly basis the amount of securities being pledged at each institution that deposits are maintained to ensure that proper security is being maintained over the funds as required by 12A-B5-39,027.

Management's Response:

The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.

These payments and recommendations are not all included and are not intended to be critical of anyone. We would like to thank the District's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Blaise, Ardisson & Bower

Statisticians, Inc.

May 28, 2004